DOCUMENT RESUME

ED 139 114 EA 009 546

AUTHOR	Pierce, Lawrence C.
TITLE	School Site Management. An Occasional Paper.
INSTITUTION	Aspen Inst. for Humanistic Studies, Palo Alto, Calif.
PUB DATE	77
NOTE	29p.; Paper prepared for the Program in Education for a Changing Society
AVAILABLE FROM	Aspen Institute Publishing Program Office, P.O. Box 1652, 360 Bryant Street, Palo Alto, California 94302 ($1.50)
EDRS PRICE	MF-$0.83 HC-$2.06 Plus Postage.
DESCRIPTORS	Adoption (Ideas); *Budgeting; Citizen Participation; *Decentralization; Educational Administration; Educational Finance; Elementary Secondary Education; *Equal Education; *Management; Principals; Schools; Urban Education
IDENTIFIERS	*School Site Management

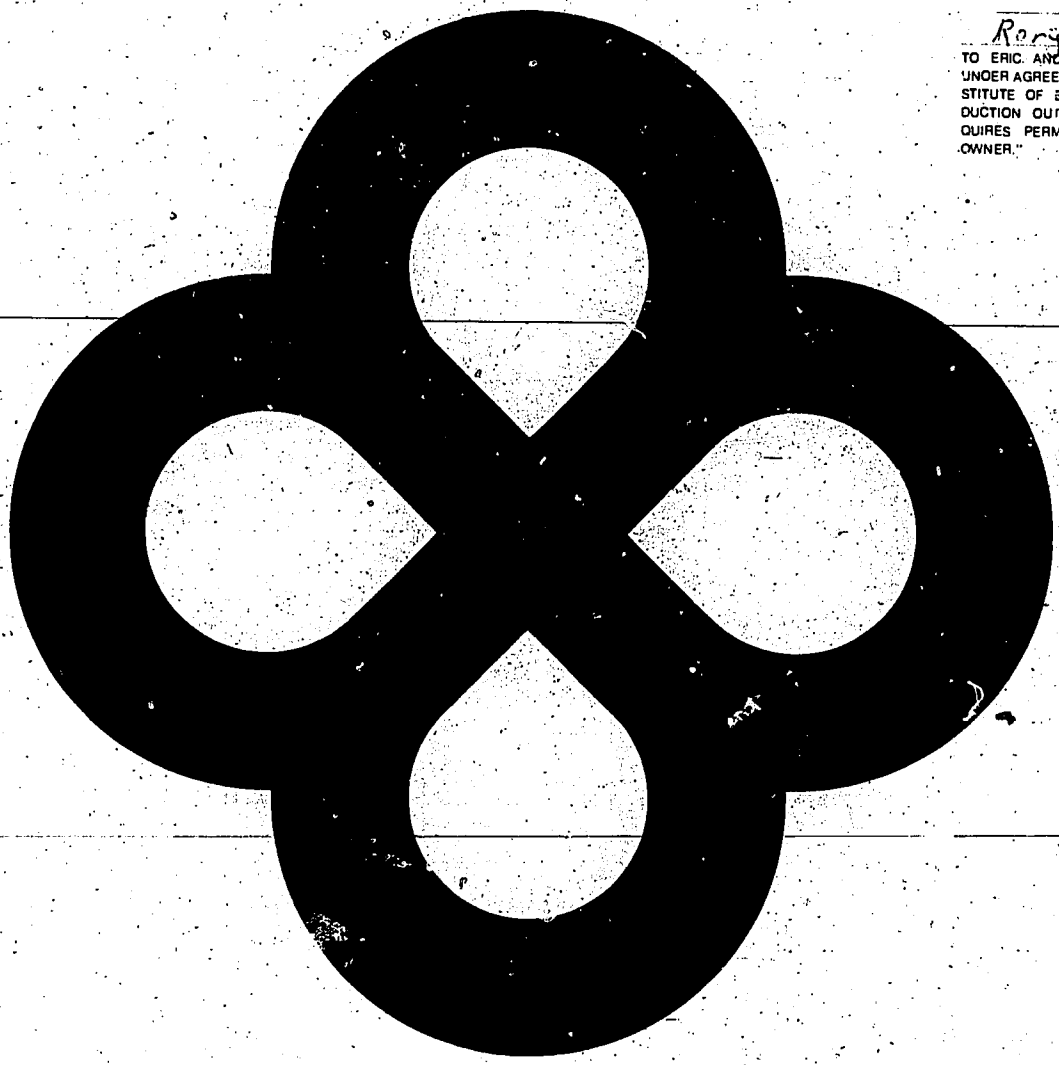
ABSTRACT

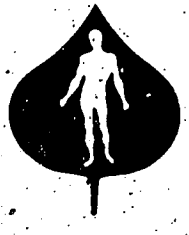
This paper examines current school management and budgeting practices and proposes one way they can be altered to encourage more coherent, understandable schooling. This proposal is the use of school site management. This reform offers the best immediate and practical prospect for achieving the kind of fiscally and educationally responsive schools we need. Centralized school budgeting as it is now practiced has several deficiencies--it assumes sustained growth, increases educational inequalities, contributes to inefficiencies, and stifles citizen participation. The topics covered in discussing school site management as a significant reform are the school site as the basic unit of educational management, parent advisory councils, the principal as education manager, school-site budgeting, the state's role in school site management, annual performance reports, collective bargaining, and parent choice of school program. The phases of implementation of such a program are also outlined. (Author/IRT)

An Occasional Paper/Aspen Institute for Humanistic Studies
Program in Education for a Changing Society

School Site Management

Lawrence C. Pierce





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Library of Congress Cataloging in Publication Data

Pierce, Lawrence C.
School site management.

(An Occasional paper/Aspen Institute for Humanistic Studies, Program in Education for a Changing Society)
Includes bibliographical references.
1. School sites. 2. School management and organization. I. Title. II. Series: Aspen Institute Program in Education for a Changing Society. An occasional paper - Aspen Institute for Humanistic Studies, Program in Education for a Changing Society.
LB3220.P53 379'.1535 77-662
ISBN 0-915436-53-1

ASPEN INSTITUTE PROGRAM IN EDUCATION FOR A CHANGING SOCIETY

6 Appian Way
Cambridge, Massachusetts 92138

Published in the United States of America in 1977
by the Aspen Institute for Humanistic Studies

ISBN: 0-915436-53-1

Printed in the United States of America

SCHOOL SITE MANAGEMENT*

Introduction

On January 6, 1976, San Francisco School Superintendent Robert F. Alioto proposed an organizational redesign of the district that included a shift from school district to school site management. He said, in part:

> *I recommend that we move toward a school site management model that values staff and community involvement and stresses accountability. We must recognize the principal as the instructional leader of the school. We must expand the budgeting and fiscal control at each school site. . . . We must establish at each school site one active advisory committee which includes parents, students, and staff representatives of the school's ethnic population. . . .*[1]

In a similar vein, a top education advisor to Governor Brown of California said last fall that the governor favors "more local control at the school site." According to the advisor, the governor sees the local school as "the basic unit of educational management," and he feels that local schools should "have discretionary authority for using funds that have been allocated by the district." Local schools also should have "substantial freedom of choice over what personnel are assigned." Finally, the advisor said that these reforms will be part of the governor's response to the California State Supreme Court's mandate to reform the state system of school finance.[2]

Why is school site management being proposed in an urban school district with declining enrollment and increasing financial problems? Why is a governor who espouses an "era of limits" advocating administrative and budgetary decentralization of public schools? The answers lie partly in the fiscal crises facing many school districts around the country, and partly in the desire of citizens to reestablish their influence in public education.

Fiscal crisis became an issue in public education during the late 1960s, with the advent of the so-called taxpayers' revolt. Voters who usually had passed school district budgets and bonds began increasingly to reject them.[3] At first, this widespread rejection of school budgets was blamed on dissatisfaction with local property taxes and the inequities of state school finance systems. Consequently, much effort was exerted to reform state school finance systems during the early 1970s. Spurred by election defeats and judicial prodding, legislatures devised new and more equitable formulas for distributing state money to local school districts. Many states substantially increased their level of state support for public schools as well. These reforms, it was hoped, would ameliorate the financial problems of the public schools.

*While writing this paper I received valuable criticism from James W. Guthrie and Walter I. Garms. I also would like to thank Lynn Gray, Robert Hartman, Katherine Lyon, Robert McClure, and Arnold Meltsner for their constructive comments on an earlier draft.

The fiscal problems of the schools, however, did not disappear. State school finance reform dealt only with the revenue side of school finance; it did little to control the rising costs of public education. In fact, state reform often increased costs by raising minimum standards and mandating new education programs.

San Francisco provides an example of how rapidly school costs have risen in recent years. From 1969–70 to 1975–76, per pupil costs in San Francisco rose from $1,108 to $2,323—an increase of more than 100 percent.[4] Controlling for inflation, this still represents approximately a 55 percent increase in per pupil spending over a five-year period.[5]

The major fiscal problem facing most public schools, in other words, is that costs are rising more rapidly than school revenues. Local voters are unwilling to increase local tax rates to meet those costs. State and federal governments are unlikely to provide enough funds to completely bridge the gap between the costs and the amount local districts can raise for themselves. Since some cost increases (such as teacher salaries) are an automatic result of inflation and wage increases in other areas of the economy, the gap between school costs and school revenues can only be filled by saving money elsewhere, that is, by increasing school productivity. In order to slow the rate of growth in education costs, local school districts must develop decision-making mechanisms that can differentiate between policies and programs that are necessary and those that are not.

Further support for proposals to decentralize school management arises from the desire to increase public participation in school governance policies. Local control of the schools, originally instituted to make them responsive to the people, nevertheless proved to be cumbersome, and it frequently obscured the state's responsibility for providing every child with a basic education. In pursuit of greater accountability and higher professional standards, the pendulum of school government, which in the early days of this country swung toward representativeness and local control, later swung back toward greater professional autonomy and stronger executive control.[6]

Between the 1920s and the 1970s, the governance of public education became more and more centralized. Steps designed to increase the authority of education executives also increased the distance between education managers and the public; at the same time they made it more difficult for teachers to influence education policy. As school systems have come increasingly under the dominance of professional managers, teachers have lost their ability to communicate freely with their superiors. Furthermore, teachers' discretion over classroom procedures has been eroded by management's efforts to introduce educational innovations. Public dissatisfaction with schools has been coupled with a growing alienation of schoolteachers, who find themselves being criticized for the failure of programs and policies over which they have very little influence. Recent demands for citizen participation and community schools reflect a desire to nudge the pendulum back toward greater representativeness.

The improvement of public education, then, requires not only new approaches for controlling education costs but also renewed commitment to the education of young people by parents and teachers—those who are most responsible for their education. It is particularly important to increase the involvement of parents in the education of their children. Only they can provide a supportive home environment where learning is encouraged and continued after school hours. But we also must develop schools that are coherent and committed to teaching basic skills, yet have enough flexibility to reflect the character of individual communities. We need teachers who care and schools that are understandable.

This paper will examine current school management and budgeting practices and propose one way they can be altered to encourage more coherent, understandable schooling. This proposal is the use of

school site management. In the paper I will argue that this reform offers the best immediate and practical prospect for achieving the kind of fiscally and educationally responsive schools we desire.

Centralized School Management

In most urban and suburban school districts that enroll a vast majority of the country's public schoolchildren, management decisions are controlled by a district superintendent and staff. School principals and teachers have little to say about the development of education policy or how district policy is to be implemented. The problems of centralized school management are best illustrated by examining school district budgeting.

School Budgeting

Much can be learned about the management of an organization by considering the manner in which it utilizes resources. For school districts, the budget process constitutes the primary mechanism for planning and controlling educational activities. Most people understand that budgeting affects teachers' salaries, the quantities of supplies available to a school, and the kind of maintenance a school receives. What is not so readily understood is that budgeting also affects important decisions about what is taught, how it is taught, and who teaches it.

The school budget process is designed to develop a plan for acquiring and allocating a district's financial resources. This plan is summarized in the school district's budget, which then must be approved by the community's elected representatives and filed with the state in accordance with state law.

A casual glance at the precise language and impressive detail of a finished budget creates the impression that public school budgeting is a highly rational process. Budgets typically discuss a community's education needs and social objectives and assert that designated educational programs will accomplish those objectives in an equitable and efficient manner. However, this process is not really so rational as it looks.

In fact, public school budgeting is a highly political process. The final budget for a large district reflects choices constrained by state law, previous budgets, negotiated agreements, and the political influence of key actors. Those choices may have little to do with the rational analysis of alternative means to accomplish the stated objectives. It is important to recognize the political nature of public school budgeting and to design the decision-making process to fairly represent those with an interest in education, including citizens, administrators, teachers, parents, and students.

Key Actors in the Budgeting Process

The important decisions in public school budgeting are being made increasingly away from classrooms and school buildings. State legislatures and state departments of education currently exercise much influence and control over the school budget process. Through statutes and regulations, they prescribe budgeting procedures, budget calendars, budget forms, accounting procedures, and auditing requirements. Many states also place limitations on district expenditures, revenues, and indebtedness. A large number of states have collective bargaining laws establishing state supervision of collective bargaining. In some states with extensive education codes (such as California, New York, and Illinois), many of the substantive budgeting decisions are dictated by the state. Often, state regulations establish the amount to be spent

on children receiving categorical aid, and many states even specify the number of teachers required for each special education or early childhood education classroom.

At the district level, school budgets are constructed by people in the district office. In most districts, the superintendent and the business manager prepare the budget. In very large districts, such as New York City and Los Angeles, a fiscal office with dozens of people usually is involved.

In recent years, some of the superintendent's control over budgeting has been constrained by collective bargaining. Under most collective bargaining statutes, decisions affecting wages, hours, and other conditions of employment must be negotiated. The superintendent or a special assistant hired by the school board negotiates in private with union representatives on a wide variety of matters affecting the district's budget. The public, most teachers, and even school board members are absent from these negotiation sessions. Since as much as 80 percent of a district's budget is spent on personnel, the results of such bargaining greatly affect school budgets. While participation in school budgeting was seldom widespread before the advent of collective bargaining, delegation of important budgetary decisions to the bargaining table has substantially diluted the ability of principals, teachers, or parents to influence budget decisions.[7]

Traditional Budgeting Practices

The budget process begins with an estimate of enrollment and revenues for the budgeted year. Estimates of the number of children first entering kindergarten or the first grade can be derived from census figures on the number of live births five years earlier. The proportion of children who progress from one grade to the next is relatively constant; a district knows, for example, that 95 percent of current fourth graders will enroll the next year in the fifth grade. Adding new entrants to those who remain in the system produces an accurate prediction of enrollment. This estimate is important because a district's enrollment largely determines the amount of money it receives from the state, and, in some states, the amount a district can raise locally.

Revenue estimates depend on enrollments, as well as on the growth of assessed property valuation in the district and a variety of assumptions about sources of funds. Federal revenues are difficult to predict because they can be changed so quickly by Congress; however, funds available through the Elementary and Secondary Education Act and impact aid programs change only slightly from one year to the next. State revenues tend to be more predictable than federal. Knowledge of a state's financial situation suggests whether state funds will increase and by how much. Local revenues consist primarily of property tax receipts. These depend on state laws governing the taxing of local property, the growth of local property assessments, and the willingness of voters to support education.

Once enrollment and revenue projections are made, department heads and principals usually are asked to submit budget requests according to their particular needs. Generally, however, this "bottom-up" approach is not very important. Since a large share of a school district's budget pays salaries, which are usually negotiated at the district level, there simply is not much money left to respond to the particular needs of individual schools.[8] What money is left is usually controlled closely by the superintendent, and is subject to the requirements of state laws and local school boards. The result is a budgeting process that is highly centralized, with most decisions flowing "from the top down."

Resources are usually allocated to schools in accordance with previously established rules or "norms," such as 1 teacher for every 25 students. Staffing norms might be adjusted for higher grade levels,

for larger numbers of non-English-speaking students, for handicapped students, or for compensatory education students. The point is that no matter how sophisticated the norms, instructional personnel are allocated to schools on the basis of an impersonal standard. Likewise the number of administrators, clerks, maintenance workers, counselors, and cafeteria employees are determined in the same manner.

A similar procedure is followed in nonpersonnel budget categories. An account is established for each school with a number of expenditure categories (e.g., instructional supplies, textbooks, supplementary books, transportation, health supplies, telephone, and office supplies). The amount placed in each school's account by the central office is based on a set of norms, usually a function of enrollment. In some instances, however, these norms are a function of factors other than enrollment. For example, the number of square feet covered by a school and schoolyard may determine the number of custodians a school should have and the amount to be allocated for maintenance supplies.

Under such centralized budgeting systems, the most crucial decisions involve the design of the norm tables. Once the norms are designated (usually by top-echelon administrators) and subsequently confirmed by the school board, the rest of the budget process becomes almost entirely mechanical. It takes only a clerk to translate a school's projected enrollment into the specified number of teachers, vice principals, counselors, and custodians.

Once an individual school's allocations have been determined, there is little or no flexibility in resource use at each school. It matters little if the principal and his staff prefer to have two teacher aides instead of one new teacher the norm table assigned them because of an enrollment increase, or if they would rather have all supplementary books instead of a budget line of textbooks.

In the best centralized systems, it may be possible to transfer a percentage of funds from one nonpersonnel budget category to another (e.g., from office supplies to instructional supplies). However, it is extremely unlikely that a principal would be permitted to "trade" an allocated vice principal for three part-time teachers, an office clerk for a noon-duty aide, or a counselor for three teacher aides.

Deficiencies of Centralized School Budgeting

Centralized school budgeting emerged for several reasons. For one, budgeting is a time-consuming and tedious task, and many districts found it easier and less costly to coordinate budget formulation in a single office. Also, state regulations usually require a central controller to insure that funds are spent and audited properly. Furthermore, having a single budget office makes it easier for a school district to deal with outside funding agencies. The federal government, private foundations, state education departments, and the Internal Revenue Service all require a variety of records and forms that can most easily be completed if all budget data is compiled by a single office. However, despite the obvious advantages of centralized budget management, such a procedure has a variety of deficiencies.

1. *Centralized Budgeting Assumes Sustained Growth.* From 1940 through 1970, school enrollments and budgets grew at historically unprecedented rates. Perhaps unconsciously, public school officials developed a philosophy of management built on the assumption of sustained growth. This approach predicated the future based on a continuance of the past. Using this base, new school programs were added to meet emerging school problems.[9]

Many school districts today face declining school enrollments and revenue limitations that have made growth-oriented management and budgeting procedures obsolete. New problems now must be

solved not by adding new programs, but by redistributing existing resources to meet new requirements. Obviously, school district budgeting must play an important role in such a redistribution. The question is whether traditional school budgeting procedures are appropriate for this task.

Theorists of public budgeting are dubious about this possibility. Wildavsky's studies of the budget process conclude that public budgeting is incremental;[10] that is, each year's budget focuses only on the "add-on" to the preceding year's budget or base, which is considered inviolate. Lindblom argues that incremental budgeting is inevitable, because the multiplicity of goals and alternatives for accomplishing them makes means-ends analysis of the entire budget impossible.[11] The "add-on" portion of the budget can be determined only by the political process. Good policy is whatever analysts and politicians can agree upon. Old programs, once implemented, are very difficult to eliminate because they have ready constituencies to argue for their continuance.

Other research, however, indicates that the budget process may not be as incremental as some believe. Natchez and Bupp, in analyzing the Atomic Energy Commission's budgets for a 15-year period, found that while the total budget increased gradually, significant changes in program priorities occurred within the budget. These priorities were not set by the national administrators but were established at "the operating levels of federal bureaus—by program directors sensitive to their own clienteles."[12]

This study and others[13] suggest that budgets can change from the "bottom-up" approach if operating personnel have sufficient discretion over program decisions and have sufficient funds available to respond to changes in client interests. This kind of discretion usually is not available in public school budgeting. Until more choice at the school site is available, school budgeting will remain incremental and will continue to be poorly suited to handle problems of declining enrollment and resource reallocation.

2. *Centralized Budgeting Increases Education Inequalities*. One of the major flaws of centralized budgeting is frequently viewed by proponents of such systems as a major strength. It is mistakenly argued that depersonalized, standardized norm tables eliminate discrimination. With allocations based on an abstract set of decision rules, some argue, no element of racial or ethnic bias can seep into budget deliberations to warp resources and services in favor of a privileged or powerful segment of the school population. Under such a supposedly sanitized allocation system, predominantly Black, Chicano, or low-income schools should receive the same treatment as schools populated by middle-class white students, since the norm tables are the same for all schools.

As persuasive as such logic may be, it has proven too frequently to be inconsistent with reality. Findings in *Hobson v. Hansen* and various school comparability audits provide evidence that schools receive dissimilar treatment.[14] Intradistrict expenditure disparities are common and for many reasons. In a few instances, no doubt, systematic expenditure disparities have been a consequence of deliberate and malicious discrimination. In a few other instances, however, intradistrict expenditure differences are shown to be an unanticipated consequence of naive budgeting policies. For example, a decision to permit small classes for advanced courses in academic high schools at the expense of large classes in general curriculum and vocational high schools favors college-bound students. In such situations, the term "institutional racism" appears appropriate.

However, the most common explanation by far of unjustified intradistrict expenditure disparities stems from a source other than prejudice or naiveté—this explanation is related to teacher salaries. It is the privilege of teachers to transfer from one school to another, based upon their seniority in the system. Teachers frequently perceive their status to be linked tightly to the social status of the students they

instruct. Consequently, the path of upward mobility for teachers is from elementary schools in low-income or minority-dominated areas to secondary schools on the district periphery, where there are more middle-class, academically oriented white students. As teachers accrue seniority, they sift toward "desirable" schools, carrying with them the higher salaries they have earned for longevity in the district and additional course credits. The result of such a migration can be a substantial disparity in instructional expenditures between races or income groups. And this can take place under the mantle of equity and fair play provided by such supposedly neutral abstractions as norm tables.

Even where centralized budgeting procedures lead to relatively equal expenditures among students and schools within a district, they still may impede or deny the essence of equal opportunity. By utilizing abstract allocation formulas, centralized budgeting discourages individual schools from matching their services to the particular mixture of their students' needs. It is quite possible that while one group of students may benefit from a particular mix of classroom teachers, counselors, vice principals, and office clerks, another group of students might benefit more from fewer counselors and administrators and more teachers, teacher aides, and tutors.

Decisions about the correct mix of services and personnel for any aggregate of students are difficult to make under the umbrella of standardized, district-wide rules. A centrally determined mix will likely be suited to the majority and will probably not acknowledge that minority groups have systematically different education needs. Without individually tailored mixtures of services and staff, it is difficult to accomplish anything more than superficial dollar equality among schools and students in a district.

Such an assertion is illustrated by the post-*Hobson v. Hansen* anecdote of a senior French teacher who was moved from one Washington, D.C., high school to another because her high salary was contributing to an expenditure imbalance. By shifting her to a school with lower per pupil expenditures, school administrators were attempting to comply with Judge Skelly Wright's decision calling for dollar equality. The effect of the transfer, however, was to deprive one group of students of a French teacher in mid-semester. Moreover, no students at the school to which the teacher was transferred elected to take French; so she was assigned to clerical tasks and hall monitoring.[15]

3. *Centralized Budgeting Contributes to Inefficiencies.* Besides failing to assure equality of opportunity, centralized, norm-based budgeting may contribute to serious inefficiencies in school operation. For one reason, standardized budget allocation procedures inhibit efforts to tailor school services to the idiosyncrasies of individual students or groups of students. Some students may need extra reading or math instruction. Others may need individualized instruction in order to work their way back into the general program. Others may work better in large classes, or on their own in a school library. Efficiency is increased when instruction is tailored to fit students' needs.

Second, current centralized budgeting seldom provides incentives for teachers or school administrators to be efficient. Suppose a teacher develops a new career information system that saves the district the cost of several guidance counselors. Under the usual arrangement, neither the teacher nor the school principal receives a salary increase or bonus. Moreover, in most districts, savings in one budget area cannot be transferred to another area or carried forward into the school's next fiscal year budget. Consequently, there is no financial incentive to introduce new teaching methods or practices. In fact, if the amount saved is taken away from the school, there may be an incentive to maintain current expenditures.

The absence of diversity under centralized budgeting fosters inefficiencies of another sort. Education is still, for the most part, an art; there exists very little scientific knowledge of the best way to teach

mathematics or to organize a curriculum. In order to create a firmer technical base for schooling, we need to experiment with a variety of teaching methods. Only by encouraging many instructional styles and strategies can we hope to develop more productive means of schooling.

Finally, inefficiency also results from centralized budgeting because of the relative absence of crucial actors in the decision-making process. By preventing school principals, teachers, parents (and, perhaps, students) from influencing the use of their school's resources, school district administrators transmit the implicit message, "You don't count." When such treatment is prolonged, the almost inevitable result is a diminished desire to succeed and a heightened tendency to blame someone else for failure. Under such circumstances, it is easy to understand the contention of New York City principals that they are not management personnel and should therefore be permitted to bargain collectively on the side of teachers (although, at latest report, they have not offered to remit their salary differential for the same reason). They assert that most important decisions are made "downtown," and a reasonable observer would have to concur.

4. *Centralized Budgeting Stifles Citizen Participation*. Another flaw in centralized norm-based budgeting is the difficulty citizens have in influencing the budget process. Many districts appoint lay members to budget committees and hold hearings on budget proposals developed by staff members; however, these procedures allow access to the budget process to only a few nonstaff people.

Principals and teachers, too, have very little voice in most budget decisions, yet when citizens and parents are dissatisfied with the education their children are receiving, they are likely to complain to the school principal or their children's teachers. Unfortunately, these complaints have very little chance of influencing budget decisions since these decisions are made at the district level.

Even if citizens could participate in budget decisions, such participation could be counterproductive in large districts. In such districts, where there are widely different demands, responsiveness to citizen demands would result in giving a little to everybody. Arriving at workable compromises under such circumstances would be extremely difficult. Furthermore, citizen particularization in large districts is relatively costly for most parents. A single individual has almost no chance of influencing district policy, and the larger the district the smaller that chance becomes. The difficulty of influencing public school policy discourages urban residents from taking part in education-related decision-making; many urban residents who could afford to do so have responded by moving to the suburbs.

Solution To School Budgeting Problems

For some school districts, centralized management and budgeting procedures have worked well in the past and still continue to perform adequately the function of allocating resources at the district level. However, for many districts, particularly those faced with declining enrollments and resources, centralized management and budgeting methods are no longer adequate. Rather than adding programs and spending more money, many districts have been forced to cut programs and budgets. Lacking effective procedures for relating how much is spent on school programs to the effects of those programs, such districts frequently fall back on such norms as "last hired, first fired," or "one counselor for every 250 students."[16]

Many of the programs adopted in the late 1960s to address the special education needs of handicapped, bilingual, and disadvantaged children have been the first casualties of district fiscal crises. For

example, recent financial shortfalls in the Berkeley Unified School District in California—for many years considered a "lighthouse" school district—have led to severe cutbacks in the district's education program. Over half of the alternative school programs established in the 1960s have been closed, and many minority teachers hired in the early 1970s have been released.[17]

During periods of stable or falling enrollment, school districts need new budgeting and management mechanisms for controlling resource allocation. To cut costs and maintain program quality, districts must develop procedures for comparing the effectiveness of school programs and weeding out those that are least effective. The most difficult problem is deciding who should make the decisions about what should be kept and what should be deleted.

An alternative to centralized school management and budgeting is delegation of these responsibilities to individual school sites. Both school site management and most voucher proposals rest on the assumption that public schooling will be improved if consumers are given greater responsibility for deciding which educational services should be provided. Although it would not offer as much freedom of choice as would a voucher system, school site management would offer parents and young people a greater voice in school affairs.[18] Even if we accept many liberals' skepticism about the responsiveness of the marketplace and the competence of families to wisely choose educational programs, as they do in the voucher system, citizens still can be given greater responsibility in education by increasing their participation in education-related decisions. When a school's performance declines, school site management would encourage parents to change the school's program rather than to simply withdraw their children from it.

School Site Management—A Strategy For Enhancing School Responsiveness

School site management is a decision-making arrangement that would substantially increase the ability of parents and school personnel to influence school policies. School site management is not new. It incorporates many proposals for returning some school decisions to the individual school site while leaving others (such as the auditing function) at the central office. School site management is an intermediate structure between centralized school management and educational vouchers. With it, public provision of education would continue; however, there would be a major shift in the locus of decision-making responsibility. State education departments, district school boards, district superintendents, and central district staff members would lose influence in education decision-making, while principals, teachers, parents, and students would gain influence.

School site management would solve many of the problems inherent in centralized budgeting procedures. Before discussing how it would do this, let us first look at how a school site management system functions.

The Organization of a School Site Management System[19]

The School Site as the Basic Unit of Education Management

The essence of school site management is a shift of decision-making responsibility from the school district to the school site. Under current state laws, school districts are legally responsible for providing educational services. They are empowered to raise money and are the recipients of state school support funds. School site management would not remove these functions from the district. In order to provide

families greater control over school affairs, however, other important aspects of education decision-making would be delegated to the schools.

The reasons for doing this are many. The most important contact between school personnel and families takes place not at the district level, but at the school site. Parents and students are more interested in their particular school than in the district, and, consequently, they are more likely to become involved at the school site. Furthermore, by dividing districts into school units, the opportunities for parent participation are increased, while the scope of education problems considered and the number of people involved at any one meeting are reduced. This makes it easier to respond to parent preferences, since only the preferences of parents with children in one school have to be considered; likewise, it increases the chance of any one parent to influence school policy. Finally, school site management gives those education professionals most familiar with a student's problems—the principal and teachers—greater responsibility for the education of children. Since the education needs of children within a school and between schools are not always the same, the principal and teachers in a school are in the best position to respond to those differences.

With arguments so strong for bringing education management to a smaller, more responsive unit, one might reasonably inquire, "Isn't what you say about the school even more true for the classroom? Why not employ the classroom as the basic management unit?" In an earlier era I might have agreed. Today, however, even at the elementary level, many students are in contact with more than one teacher during the course of a school day or week. Team teaching is increasing, and the increased use of specialists also makes it difficult to identify a group of students as the exclusive responsibility of one instructor. This is even true at the secondary level. Thus, because the classroom is too small and the district too large, the individual school becomes the most reasonable unit for primary managerial functions.

Parent Advisory Councils

In order to amplify the parents' "voice" and to compensate for the overpopulation and resulting depersonalization of school districts, parent advisory councils (PACs) could be established at all school sites in districts with more than 1,000 students.[20] Such councils would select and advise the school principal, approve school site budgets, and participate in negotiations with the teachers on details of the school's educational program. The number of PAC members would be proportional to a school's enrollment. Schools of less than 300 students might have a five-member PAC while those at 900 or more might have 13 members. Regardless of school size, however, parent advisory councils should not have more than 13 members.

The manner in which individuals are selected to serve on PACs is crucial. One possible approach is for only parents of children presently enrolled in the school to serve on the PAC. Citizens without children do have school-related interests; however, in many cases, those interests may best be expressed at the school district and state levels. Since nominations by principals or district school board members would be open to substantial criticisms of professional dominance, nonrepresentativeness, and personal favoritism, those eligible to serve on a PAC might be nominated by a nonpartisan caucus or through a petition process. For example, any parent obtaining signatures from 5 percent or 50 parents (whichever is least) in the school would be placed on the ballot.

Members of parent advisory councils would best be selected by an election. Although the electoral process never guarantees "true" representation and generally is cumbersome and time-consuming, it is better than any other procedure. An appropriate term of office would be two years, with members

permitted to serve no more than two terms. Terms could be staggered so as to provide membership continuity from year to year.

Since the principal appears to be the single most important component of a school's success, one of the most important functions of a PAC, not unlike the board of education at the district level, would be to participate in the selection of the school's chief executive officer. It is possible under some conditions to have a capable principal and still end up with a "bad" school, but it is extraordinarily rare to find a "good" school with an incompetent principal. Even though there are few incentives for principals to encourage good teaching, principals appear to set the tone of a school and to light the spark of excitement that spurs staff members and students to excel.[21] Therefore, if the schools are going to offer programs in keeping with high education ideals, local citizens must participate actively in the selection of school principals.

PAC participation in principal selection could be either from the "bottom-up" or by a "trickle-down" process. In the "bottom-up" approach, the PAC would interview applicants and recommend to the district board and administration a group of three to five acceptable candidates; the board and administrators would then make the final choice. In the "trickle-down" approach, the central administration or school board would narrow the field to some limited number of acceptable candidates and then permit the school PAC to make the final choice. Whichever approach is pursued, the principal should be on a three-to-five-year contract, with renewal subject to PAC approval.

The Principal as Education Manager

When moving from centralized district management to school site management, clear assignment of responsibilities might prove to be difficult; initially, there probably would be some confusion as to who controls a school. The principle is clear, however. If the school is the basic unit of education management and its staff is held accountable for the service provided, then the principal must have adequate authority to make changes according to the desires of parents and the school council. Under school site management, school principals would supersede district superintendents as the most influential education managers in the United States. A principal would be accountable both to the school district for operating the school within state and district regulations, and to the PAC for tailoring the school's program to the council's policies.

The principal, as representative of the PAC, would have discretion over three important areas of school management: personnel, budget, and curriculum. The authority to hire personnel is essential if the principal is to be held accountable for the school's performance,[22] since the classroom teacher remains the critical link in the education process. Without the ability to hire and assign teachers, the principal would have little control over school performance. The PAC and members of the existing school staff may assist the principal in screening candidates and developing criteria for selecting among qualified applicants, but, ultimately, the decision to hire would be the principal's.

The principal also would be responsible for preparing the school budget for approval by the school council, and for the establishment of a school curriculum. (School site budgeting will be discussed in a subsequent section.) Curriculum decisions would involve negotiations between teaching staff, PAC, and principal. Initially, schools undoubtedly would find that state curriculum requirements and pressures from national accreditation and testing organizations leave little room for curriculum innovation at the school level.[23] Over time, many of the state requirements might be relaxed to allow schools to develop their own education curriculum. Provisions calling for agreement among teachers, PAC, and principal on the curriculum at each school would be part of the district-level contract with teachers' unions or professional

organizations. The principal would be held responsible by the PAC for implementing the school curriculum and any changes it deemed necessary.

School Site Budgeting

School site budgeting would require a two-step budgeting process. First, school districts would allocate funds to schools and develop an accounting procedure to insure that district funds were properly utilized. District superintendents and school boards would determine the amount of money available for the public schools in each district. A total operating budget for the district would be established, then funds would be allocated to each school in unrestricted lump sums. Each school would be entitled to a specified amount for each enrolled child. The district might want to vary the amount for different age groups, or for handicapped or otherwise disadvantaged children. Nevertheless, once district revenues and enrollments were established, each school's revenues would be computed by multiplying the number of students in the school by the amount available for each category of student.

The second step of the process, budgeting at the school site, would be more complex than at the district level. Two budget formats would be needed to obtain the best use of funds within a school. First, to insure that funds would be spent properly, the school would need a simple line-item or object budget that would indicate how funds received by the school were actually spent. Both state and district regulations require such information to protect against the misappropriation of public funds.

In addition, a second budget format—a work-flow budget that measures how students are progressing through a course or series of courses toward some defined objective—would be needed.[24] For example, if improving reading skills is the goal, then information would be collected showing each student's progress through the reading curriculum. Work-flow budgets showing the cost of moving students from one level of reading skill to another would enable parents and teachers to decide when and where to spend resources in the reading program. If it is discovered, for example, that 60 percent of each year's reading achievement is lost during summer vacation, the school staff and PAC might want to reallocate resources to summer reading programs. Work-flow budgets would help build knowledge of educational processes and provide data for more detailed program budgets. Most important, work-flow budgets would enable teachers and parents to assist school principals and PACs in deciding which programs work well and which do not. If program B moves students toward the goal of reading competence at half the cost of program A, then there would be a rational basis for selecting program B over A. Until this kind of technical work-flow information is available, it will be difficult to reallocate resources in a manner that will maintain quality education.

The State's Role in School Site Management

Shifting responsibility for schooling to the school site would not eliminate the state's role in public education. States would continue to provide a substantial portion of public school resources, particularly for districts that lack ability to finance their schools adequately, and for districts with large numbers of children requiring specialized programs.

In addition to funding, states need to be involved in school standard setting. Public pressure for higher standards in state schools should encourage states to establish minimum standards for the schools and develop procedures for insuring that the standards are met. This probably would require statewide examinations to assess student achievement in at least the areas of reading and mathematics, since despite the variety of tasks involved in schooling, reading and computing are commonly accepted as minimal

learning skills for every child. (Individuals may disagree on the relative significance of these skills, but it is difficult to identify a rational point of view that holds that they are of no importance.) Consequently, it is highly probable that an annual statewide assessment of children's achievement in these two areas would be publicly acceptable. If state legislatures desired, they also might make other areas subject to competency standards and testing. The problem is to have enough standards to insure that children receive adequate educations, yet few enough to permit local variations consistent with the diversity of local interests.

There is no need to specify a single best method of establishing a statewide testing scheme. It is not necessary to test every child every year. By selecting a relatively small sample at each grade level from each school, it would be possible to assess the degree to which students were gaining in achievement. It is important that the sampling population be sufficient to generalize about each grade level at each school.

Annual Performance Reports

Whereas statewide standards and testing programs are intended to provide the state with an early-warning system regarding its interests in minimum levels of student achievement, the Annual Performance Report primarily would involve local client interests. This report would probably appear each spring. It would include topical categories and items similar to those illustrated on page 14. The principal would be responsible for overseeing its production; however, sections of it would be reserved for exclusive use by the parent advisory council, students (above the ninth grade), and staff. The report might be published in the local newspaper, posted prominently in the school, and, most importantly, sent home to the parents or guardian of each student. It would be the primary printed instrument by which clients could assess the effectiveness of their local school. In addition, each school's reports would provide sufficient information to permit clients to choose among available schools.

Proliferation of reporting forms and data collection efforts has long been a frustrating fact of life in both the private and public sectors. Well-designed Annual Performance Reports would help to reduce some of these efforts by consolidating them. For the state, federal government, and local school districts, as well as for the individual school site, the Annual Performance Report would be the primary data compilation instrument. The school district could aggregate information from individual school reports to meet state reporting requirements for school districts.

School Site Management and Collective Bargaining

In most areas of the country, teachers' representatives negotiate with district school boards over terms and conditions of employment. Since districts are likely to continue raising money for public schools, teachers will likely insist on negotiating salary schedules and working conditions at the district level.

For school site management to be effective, current collective bargaining practices would have to be modified. Hiring of personnel and grievance hearings would have to be conducted at the school site, and if seniority rights were agreed upon, they would apply only within a particular school. The most important change from current collective bargaining practices, however, would be the addition of school site bargaining on the content of the school program. Teachers in each school would sit down with the principal and representatives of the parent advisory committee to develop the next year's educational program. Members of the press and public would be permitted to observe those sessions. Final settlement of the district-wide economic agreement would be contingent upon the signing of local school site program contracts.

AN ELEMENTARY SCHOOL ANNUAL PERFORMANCE REPORT

Illustrative Table of Contents

School Information

Name, location, enrollment, age of building, number of classrooms, number of specialized rooms, school site size, state of repair, amount spent on maintenance in the last year and last decade, library volumes, etc.

Staff Information

Number of staff members by category, age, sex, ethnic background, experience, degree levels, proportion of various license classifications, etc.

Student Performance Information

Intellectual performance data: all information on student performance on standardized tests should be reported in terms of state-established minimum standards. Relative performance of different schools in the district should also be provided. Other performance data might include: student turnover rate, absenteeism, library circulation, performance of past students at next level of schooling (junior high, high school, college), etc.

Areas of Strength

Here the school can describe what it considers its unique or noteworthy characteristics. The purpose is to encourage every school to have one or more areas of particular specialization and competence, to espouse a particular educational philosophy, or to employ a distinct methodology or approach. This section would inform parents about the tone or style of the school.

Areas for Improvement

In this section the school would identify five areas for improvement and would outline its plans regarding them. These problem areas might change from year to year or remain the same as the school mounts a long-term improvement project. This section should encourage schools to be self-critical, to establish specific goals, and to report on subsequent progress.

Parent, Teacher and Student Assessment of School Performance

Responsible parents, teachers and students should be permitted an uncensored opportunity to assess school performance. This section would permit various school constituencies to express their opinions of school success or failure with respect to such matters as actual instruction, curriculum development, racial relations, drug abuse, student participation in decision-making, etc.[25]

Bargaining at the school site would enable parents to influence the kind of schooling being offered. If teachers at one school insisted on shorter class periods, parents could indicate their dissatisfaction directly by complaining to the PAC or indirectly by transferring their children to another school. To keep their jobs, teachers would have to be sensitive to parents' concerns. School site agreements on the content of the school program would help bring the public back into public education.

Parent Choice of School Program

So far, only elements designed to increase the voice of school site personnel and the public have been discussed. However, it is entirely possible that teacher and citizen participation at the school site may generate many suggestions but produce few changes. In this case, it is important that parents be free to transfer their children to another school if their complaints are ignored. Allowing choice of schools is likely to make schools more responsive to parent suggestions.[26]

There are several ways of providing parents with more choice among school programs. For example, each school could offer several alternative programs—a traditional program, an arts program, a free school program, a career education program, etc. Parents would select a program for their child, and the school would then allocate personnel and other resources to each alternative on the basis of the number of children enrolled.

Parents would be free to send their children to any public school within the district that offers instruction for their child's age group. Many parents probably would continue to send their children to the neighborhood school, but others would not. It is possible, therefore, that some schools would be oversubscribed while others would have extra room. Districts could handle this problem in several ways. One way would be to provide mobile classrooms, which could be used in the short run to permit expansion of more successful programs. In the long run, new facilities could be built or leased to accommodate the children who transfer.

However, providing extra classrooms might be too expensive, and parents might regard mobile classrooms as inferior. An alternative approach would be to expand the authority of a successful principal to include part of a school that does not attract as many students. For example, if school A attracted 50 percent more students that it could handle and school B enrolled only one-half as many as it could accommodate, the principal of school A could use half of school B's resources to accommodate school A's overflow. The principal of school A would be responsible for the staff and students in one and one-half schools.

Regardless of the institutional arrangements, a number of characteristics must be presented in order for competition among school programs to be effective.[27] First, parents must be able to evaluate the performance of programs within a school and within different schools. This is not easy in large school systems, since the performance of students on standardized tests is affected by many factors besides the quality of instruction. Nevertheless, the annual performance reports could provide information which, together with the informal information spread by word-of-mouth, would be adequate to enable most parents to make an intelligent program choice.

Second, competition among school programs is possible only if there are realistic alternatives for every family. At a minimum, there would have to be open enrollment within districts. But even this might not provide real options unless transportation is available to each school, particularly for children from low-income families. The possibility that some schools would be oversubscribed would have to be considered as well.

Third, schools must be free to offer different educational programs. If district regulations force every school to provide similar services, an open enrollment policy will not produce competitive pressures. School principals must be free to hire and fire personnel and to use resources in different ways to provide different educational products. Finally, allocation of school district resources must reflect parents' choices of educational programs. Schools must receive some reward for attracting more students and some penalty for losing students if competition is to work.

Allowing for free choice of school programs makes school site management look much like a voucher plan, where parents are constrained to use publicly operated programs and money is paid directly to the schools. The intent of providing free parent choice of school programs, however, is to increase the sensitivity of schools to greater parent participation. School administrators and teachers must know that if they are not responsive to parent concerns, parents have the option of going elsewhere. To use Hirschman's terminology, the exit option is used to strengthen the voice option.[28]

Will School Site Management Work?

Most of the elements of school site management—parent advisory councils, school site budgeting, open enrollment—have been tried singly or in combination in a number of school districts. The experiences of these districts provide clues to the likely effects of total school site management. In school districts that have permitted individual schools to develop alternative educational programs, a variety of such programs have emerged. This result almost certainly promises that school site management will produce a broader range of educational offerings than centralized program management.[29]

An analysis of school site budgeting in the Newport-Mesa Unified School District in California is revealing. When allowed discretion over the use of funds, the schools within the district chose to spend their funds in markedly different ways. Table 1 shows the school district average and school-by-school expenditure variation for a school district that used lump-sum school site budgeting. Clearly, some schools within the district chose to forgo such items as office supplies, new textbooks, and professional meetings in order to concentrate funds on new equipment and instructional supplies.

TABLE 1. Expenditure Variations Among Elementary Schools in Newport-Mesa Unified School District Using School-By-School Budgeting, 1972–1973.

Expenditure Category	District-wide Average Expenditure per Pupil	Range of School-by-School Expenditure per Pupil
Field Trips	$ 1.15	$ 0.32–$ 2.58
Textbooks	0.15	0.00– 1.24
Other Books	0.74	0.00– 1.74
Professional Meetings	0.16	0.00– 1.56
Instructional Supplies	13.35	8.25– 33.68
Office Supplies	1.00	0.00– 2.59
Health Supplies	0.10	0.00– 0.26
Telephone	1.49	0.90– 2.36
New Equipment	3.02	0.07– 11.07

Source: Diana K. Thomason; dissertation in progress at the University of California, Berkeley, California, 1976.

Similar variations occurred in personnel use under lump-sum school budgeting. When permitted, school administrators selected a wide mixture of teachers, aides, and such special service personnel as counselors, reading teachers, part-time tutors, and assistant administrators. Some of this variation may have been the result of differences in pupil characteristics between schools. Of course, if the allocation of school resources was viewed over a longer period, some of the variation might disappear, yet preliminary information and logic both suggest that school site management and budgeting would produce a much greater variety of educational services.

A more difficult question than "Will school site management work?" is "Will school site management help districts adjust to a period of declining resources in a manner that is responsive to community preferences?" The evidence needed to answer this question is not readily available. However, we can look at how cutbacks under both systems probably would be made.

Under centralized management, cutbacks tend to be made first in capital outlay and maintenance budgets. Next, programs that are only indirectly related to the purpose of the schools (such as driver education or arts programs) or programs that serve only small segments of the community (such as adult education programs) are cut. As a last resort, teaching staff members are released on a "last hired, first fired" basis.[30]

Under school site management, many of the cutbacks would be made at the school site, and each school might cut something different. Capital outlay, maintenance, and unessential programs would probably still be the first casualties. Staff cutbacks, however, might vary considerably among schools. For example, a ghetto school might decide to retain recently hired minority staff members if those teachers' programs were deemed sufficiently important. Of course, some parents might object to such a decision and decide to send their children elsewhere.

The key question in community responsiveness is whether the tyranny of the majority at a single school site would produce better public policy than the tyranny of the majority in an entire district. My guess is that more people would be satisfied with school-by-school cutbacks than with district-wide cutbacks—both because they would be better able to influence those decisions and because cutbacks would be more carefully tailored to the education preferences of smaller communities.

Implementing School Site Management

Implementing a major reform proposal is never easy. Those people who benefit from the existing order will naturally oppose the reform; those who are likely to benefit from the new arrangement are often disorganized and are only half-hearted in their support. The latter's lack of enthusiasm for change arises partly from their fear of those in power who oppose change, and partly from their unwillingness to believe in anything new until they have actually experienced it.[31]

Opposition to School Site Management

The political feasibility of school site management is an important subject, since opposition to such management would come from several places. Many superintendents and central office personnel would oppose decentralization because it would diminish their role and influence. Frequently, proponents of administrative decentralization seek to rally support for their proposals by emphasizing the incompetence of school administrators. This strategy both misses the major reason for decentralization and solidifies administrative opposition to the plan.

The purpose of school site management is to encourage greater program flexibility, which is impossible with centralized administration. Furthermore, school site management would not eliminate the need for a central administration. Rather, it would free the central administration to spend more time on those things it does best, such as carrying on financial transactions with external agencies and insuring that district activities are being performed properly. Many financial, monitoring, auditing, and testing functions would remain the responsibility of the central administration. Most program and personnel planning, however, would be delegated to the school site.

Another probable source of opposition would be the unions. In many districts, unions are in the process of establishing relationships with teachers and district management, and they are likely to oppose any reform that complicates that organizational task. They would particularly oppose the delegation of most personnel functions to individual school sites because it would mean dealing individually with many principals, rather than with the school board or its representative. Finally, unions are likely to oppose school site bargaining on program issues. Their task is easier and their position is stronger if they can bargain on all issues with a single board or its representative.

Union opposition might prove fatal to school site management if most teachers were also opposed to the idea. The subject of teachers' attitudes, however, is complicated, and is likely to vary considerably among districts. Many teachers today are disillusioned because they are often blamed for the failures of public education while they are increasingly constrained from doing anything to improve it. A key element of school site management is strengthening the role of the teacher in the classroom. If teachers are given greater control in the classroom and more influence over school policy—in selecting a principal and designing a school's curriculum, for instance—they are likely to support school site management, or at least some parts of it. Teacher support is essential for the plan to work; it is also the key to diluting union opposition.

Phase One: Developing Implementation Plans

To minimize professional opposition to school site management and to build public confidence in its ability to improve public education, the proposed reforms might be phased in gradually. During the first year, emphasis should be on developing a detailed school site management policy that includes goals, objectives, and an implementation strategy. Principals, teachers, students, and parents should be encouraged to participate in development of the decentralization plans. Whenever possible, schools should be permitted to experiment with various forms of school self-government.

A number of changes could be tried without major altering of state or district laws and regulations. Parent advisory committees could be established. Alternative election procedures could be tried, and PACs could be given a variety of responsibilities to find out which tasks they are likely to perform most effectively. Principals could be given greater control over school curriculums and school budgets. At first the scope of principals' discretion could be quite small; then, as principals become experienced in making curriculum and resource decisions, they could be allowed to reallocate surplus funds. This would help encourage improved program efficiency and productivity.

Districts also could begin experimenting with open enrollment policies to learn how many and what kinds of students change schools. Principals and advisory school councils could prepare performance reports and distribute them throughout the district. Initially, few restrictions or requirements should be placed on the contents of these reports. Experimentation would help identify those elements of the reports that are of interest to the public.

As initial work with school site management takes place, major emphasis should be given to creating interest in school self-government, to conducting experiments and discussions of alternative arrangements of school government, and to collecting information on the likely consequences of greater parent, principal, and teacher control at the school site.

Phase Two: Training School Personnel

During the second year, emphasis would be on training of school site personnel. Of primary importance would be the retraining of principals, since the principal's role is crucial to the success of school site governance. The principal must become a strong leader, a good manager, and an accomplished public relations expert. The skills necessary for these roles are seldom gained through experience as a classroom teacher, nor are they emphasized in most schools of education. Careful thought and much effort, therefore, would have to be given to the training of school principals.

A considerable amount of staff retraining would also have to be undertaken to prepare teachers for their expanded roles. Teachers would have to become accomplished in curriculum development and program evaluation. Their work would be particularly important in low-income districts, since they would also have to assist parents in learning how to choose school programs and participate in the education of their children.

Phase Three: Eliminating Legal Barriers

A third phase, which might take as long as two years, would focus on developing the institutional vehicle for carrying out a school site management policy. Initially, state statutes and regulations would have to be reviewed to uncover requirements that are inconsistent with administrative decentralization. For example, under most state laws, school boards are not permitted to delegate responsibilities to school site committees or councils. State budget or finance laws are also likely to prohibit delegation of budgeting responsibilities below ths district level. Such laws would have to be changed to permit greater control over education policy and budgeting at the school site.

State provisions regarding teacher certification, employment, assignment, etc., also would probably have to be changed to permit the delegation of personnel functions to individual schools. Particularly troublesome would be tenure or fair dismissal laws and collective bargaining laws. And, since principals need the authority to hire teachers to make school site management effective, regulations giving teachers seniority rights through a district would have to be revised. To increase the program flexibility of local school administrators, many certification requirements would have to be relaxed. There are many persons without teaching credentials—some with Ph.D.'s and some with "real world" experience—who would make outstanding classroom teachers.

In addition to revising state laws, policies would have to be enacted delegating specific responsibilities to parent advisory councils, principals, and parents. Attention also would need to be given to the kinds of support each group needs in order to carry out its responsibilities. PACs would be powerless without adequate information on which to base policy recommendations; necessary information could be supplied by individual principals or by a central office responsible for assisting PACs. It might be useful to empower a broad-based committee at each school site to develop a specific implementation plan. This committe, consisting of the principal, teacher representatives, students, and parents, would attempt to thrash out the issues that school site management might engender. This activity of constitution building at the school site would also be good training for principals and potential PAC members.

Phase Four: Allocating Funds

During the final implementation phase, district funds would be allocated to each school on a lump-sum basis, and program planning, implementation, and evaluation would be carried out at the school site. At this point an open enrollment policy would go into effect, and provisions would have to be made for intradistrict transportation of students.

Summary

School site management is a decision-making arrangement that enables school districts to make hard economic decisions in ways that are responsive to the consumers of public education. It counteracts the trend toward increasing centralization in public education and is therefore consistent with demands for greater citizen participation in public decision-making.

In addition, school site management provides a mechanism for making professional educators more accountable for their performance. Accountability would shift from the district level to the school site. If a school failed to meet the expectations of its constituents, parents could ask that the principal be replaced, or they could try to change the school's curriculum and methods of instruction, or they could send their children to a different school. School site management would provide citizens with a stronger voice and a greater choice in public education than they now possess. Both of these abilities would go far toward restoring confidence in public schools.

FOOTNOTES

1. Robert F. Alioto, "An Education Redesign for the San Francisco Unified School District," San Francisco, January 6, 1976.
2. Jack McCurdy, "Aide Details Brown's School Reform Ideas," *Los Angeles Times*, October 24, 1975.
3. For an analysis of the many empirical studies on school financial elections, see Philip K. Piele and John S. Hall, *Budgets, Bonds and Ballots* (Lexington, Mass.: Lexington Books, 1973).
4. During the same period, school attendance in San Francisco decreased by more than 10,000 students, a fact which certainly exacerbated cost inflation in the district. For a complete analysis of the fiscal problems of San Francisco's schools, see James W. Guthrie, Walter I. Garms, and Lawrence C. Pierce, *The Fiscal Future of the San Francisco Public Schools*, prepared for the San Francisco Public Schools Commission, January, 1976.
5. According to the 1975 *Economic Report of the President*, the general price inflator increased 35 percent between 1970 and 1975.
6. See Herbert Kaufman, "Emerging Conflicts in the Doctrines of Public Administration," in *The Politics of the Federal Bureaucracy*, ed. Alan A. Aitshuler (New York: Dodd, Mead & Company, 1968). pp. 72–87.
7. For an analysis of the implications of public sector collective bargaining on the ability of the public to control public institutions, see Lawrence C. Pierce, "Teachers' Organizations and Bargaining: Power Imbalance in the Public Sphere," in *Public Testimony on Public Schools*, National Committee for Citizens in Education (Berkeley, Ca.: McCutchan Publishing Corp., 1975), pp. 122–59.
8. For a detailed analysis of school district budgeting, see Donald Gerwin, *Budgeting Public Funds* (Madison, Wis.: The University of Wisconsin Press, 1969).
9. An analysis of budgeting in the federal government found that budgeting is largely incremental. See Otto A. Davis, M.A.H. Dempster, and Aaron Wildavsky, "A Theory of the Budgeting Process," *American Political Science Review* 60, no. 3 (September 1966), pp. 529–47.
10. Aaron Wildavsky, *The Politics of the Budgetary Process* (Boston: Little, Brown and Company, 1964).

11. Charles E. Lindblom, "The Science of 'Muddling Through,'" *Public Administrative Review* 19, no. 2 (Spring 1959), pp. 531–38.
12. Peter B. Natchez and Irwin C. Bupp, "Policy and Priority in the Budgetary Process," *American Political Science Review* 67, no. 3 (September 1973), p. 963.
13. See John Wanat, "Bases of Budgetary Incrementalism," *American Political Science Review* 68, no. 3 (September 1974), pp. 1221–28.
14. *Hobson v. Hansen*, 327 F Supp 844 (DDC 1971).
15. This anecdote was told to the author by a person familiar with *Hobson v. Hansen*. For a detailed analysis of the district's compliance with Judge Wright's ruling, see D. C. Citizens for Better Education Report, "Equalization," Final Report NIE Grant # NE-G-00-3-0201, June 1975.
16. The second norm was promulgated by the American Personnel and Guidance Association and accepted by many districts without evidence of its effectiveness. There are other equally unsubstantiated norms for the number of librarians in a school, the number of administrators relative to teachers, etc.
17. Ralph Carib, "Berkeley's Big School Crunch," *San Francisco Chronicle*, March 3, 1976.
18. Albert O. Hirschman, *Exit, Voice and Loyalty* (Cambridge, Mass.: Harvard University Press, 1970).
19. The original discussions of school site management were held among senior staff members of the New York State Education Commission, most notably Charles S. Benson, James W. Guthrie, Will Riggan, Roger Hooker, and Carl Jaffee. The system also has received widespread attention by the Florida State legislature, and its decisions frequently are referred to as the "Florida Plan."
20. The interaction of increased population and vastly reduced numbers of school districts has substantially diluted the representative nature of school boards. The effectiveness of the citizens' "voice" has therefore been badly eroded. This phenomenon is explained in greater detail in James W. Guthrie, "Public Control of Public Schools," *Public Affairs Report* 15, no. 3 (Berkeley, Ca.: University of California Institute of Governmental Studies, June 1974).
21. The significance of the principal's position is described in Neal Gross and Robert E. Herriott, *Staff Leadership in Public Schools: A Sociological Inquiry* (New York: John Wiley and Sons, Inc., 1965), and more recently by Thomas Sowell, in "Patterns of Black Excellence," *The Public Interest*, no. 43, (Spring 1976), pp. 26–58.
22. For example, in a 1971 study of a large metropolitan school district, Kittredge demonstrated that school sites at which the principal made personnel decisions experienced noticeably less staff turnover, absenteeism, requests for transfer, and formal grievances. Michael H. Kittredge, *Teacher Placement Procedures and Organizational Effectiveness* (unpublished dissertation, U.C. Berkeley, California, 1972).
23. For a full explanation of the many forces acting to standardize our nation's school curriculum, see Roald F. Campbell and Robert A. Bunnell, eds., *Nationalizing Influences on Secondary Education* (Chicago: University of Chciago Press, 1963).
24. An attempt to measure progress through a juvenile rehabilitation program was made by Nathan Caplan, in "Treatment Intervention and Reciprocal Interaction Effects," *Journal of Social Issues* 24, no. 1 (1968), pp. 63–88.
25. *The Fleischmann Report on the Quality, Cost and Financing of Elementary and Secondary Education in New York State*. Vol. 3 (New York: The Viking Press, 1973), pp. 58–59.
26. This point is made clearly by Albert Hirschman, in *Exit, Voice and Loyalty*, pp. 123–24:

    > *Similarly, when an organization arouses but ignores voice while it would be responsive to exit, thought must be given both to making exit more easy and attractive by appropriately redesigned institutions and to making the organization more responsive to voice. The approach to the improvement of institutional designs that is advocated here widens the spectrum of policy choices that are usually considered and if avoids the strong opposite biases in favor of either exit or voice which come almost naturally to the economist and political scientist respectively.*

27. A more detailed discussion of these characteristics can be found in Anthony Downs, "Competition and Community Schools," in *Community Control of Schools*, ed. Henry M. Levin (Washington, D.C.: The Brookings Institution, 1970), pp. 219–49.
28. Hirschman, *Exit, Voice and Loyalty*.
29. A summary of education alternatives in public schools can be found in Mario D. Fantini, "Alternative Educational Experiences: The Demand for Change," *Public Testimony on Public Schools*, prepared by the National

Committee for Citizens in Education (Berkeley, Ca.: McCutchan Publishing Corp., 1975), pp. 160–82.

30. Gerwin, *Budgeting Public Funds*, p. 148.

31. Machiavelli wrote of the difficulty the Prince encounters on introducing new institutions:

> *Their difficulty in gaining the princedom partly results from the new institutions and customs they are forced to introduce, in order to establish their rule and safety. So they should observe that there is nothing more difficult to plan or more uncertain of success or more dangerous to carry out than to introduce new institutions, because the introducer has as his enemies all those who profit from the old institutions, and has as lukewarm defenders all those who will profit from the new institutions. This lukewarmness results partly from fear of their opponents, who have the laws on their side, partly from the incredulity of men, who do not actually believe new things unless they see them yielding solid proof. Hence whenever those who are enemies have occasion to attack, they do it like partisans, and the others resist lukewarmly; thus the lukewarm subjects and innovating prince are both in danger.*

Niccolo Machiavelli, "The Prince," in *Machiavelli: The Chief Works and Others*, vol. 1, translated by Allen Gilbert, (Durham, N.C.: Duke University Press, 1965), p. 26.

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